

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF TENNESSEE

In re: Care Foundation of America, Inc.) Case No.: 08-12367
)
) Judge: Keith M. Lundin
)
) Chapter 11
Debtor(s))

MONTHLY OPERATING REPORT FOR MONTH ENDING August 31, 2010.

Care Foundation of America, Inc., Debtor-In-Possession, submits its Monthly Operating Report for the period commencing 12/31/08 and ending August 31, 2010 as shown by the report and exhibits consisting of 11 pages and containing the following, as indicated:

X Monthly Reporting Questionnaire (Attachment 1)
X Comparative Balance Sheets (Forms OPR-1 & OPR-2)
X Summary of Accounts Receivable (Form OPR-3)
X Schedule of Postpetition Liabilities (Form OPR-4)
X Statement of Income (Loss) (Form OPR-5)

I declare under penalty of perjury that this report and all attachments are true and correct to the best of my knowledge and belief.

Date: 9/7/10

DEBTOR-IN-POSSESSION

By: /s/ [Signature]

Title: Vice President/Treasurer

Address: Two Brentwood Commons, Suite 150

750 Old Hickory Blvd

Brentwood, TN 37027

Telephone Number: _____

Fax Number: _____

Email Address: _____

REV 10/200

CHAPTER 11
MONTHLY OPERATING REPORT
MONTHLY REPORTING QUESTIONNAIRE

CASE NAME: Care Foundation of America, Inc.CASE NUMBER: 08-12367MONTH OF: August 31, 20101. Payroll State the amount of all executive wages paid and taxes withheld and paid.

Name and Title of Executive	Wages Paid		Taxes	
	Gross	Net	Due	Paid
<u>Tom Davenport - President</u>	<u>6,541.67</u>	<u>5,053.74</u>	<u>1,487.93</u>	<u>1,487.93</u>
<u>Joseph Keane - Vice President</u>	<u>6,541.67</u>	<u>5,253.74</u>	<u>1,287.93</u>	<u>1,287.93</u>
<u>Natalie Henley - Asst Treasurer</u>	<u>6,802.00</u>	<u>5,614.89</u>	<u>1,187.11</u>	<u>1,187.11</u>
Total Executive Payroll:	<u>\$19,885.34</u>	<u>15,922.37</u>	<u>3,962.97</u>	<u>3,962.97</u>

2. Insurance Is workers' compensation and other insurance in effect? None
Are payments current? If any policy has lapsed, been replaced or renewed, state so in
the schedule below. Attach a copy of the new policy's binder or cover page.

Type	Name of Carrier	Coverage Amount	Policy #	Expiration Date	Premium Amounts	Date Pd. Thru
Casualty	_____	_____	_____	_____	_____	_____
Workers' comp.	_____	_____	_____	_____	_____	_____
General liab.	_____	_____	_____	_____	_____	_____
Vehicle	_____	_____	_____	_____	_____	_____
Other (specify):	_____					
	<u>Insurance for each facility has been submitted to the US Trustees office for</u> <u>review.</u>					

CHAPTER 11
MONTHLY OPERATING REPORT
MONTHLY REPORTING QUESTIONNAIRE

ATTACHMENT 1 (PAGE 2)

CASE NAME: Care Foundation of America, Inc.

CASE NUMBER: 08-12367

MONTH OF: August 2010

3. Bank Accounts

	Account Type				
	<u>Operating</u>	<u>Tax</u>	<u>Other</u>	<u>Other</u>	<u>Total</u>
Bank name	<u>Regions</u>		<u>Regions</u>	<u>Regions</u>	
Account #	<u>0110448888</u>		<u>0129142008</u>	<u>0110448764</u>	
Beginning book balance	<u>\$3,917.35</u>		<u>4,079,661.20</u>	<u>143,687.59</u>	<u>4,227,266.14</u>
Plus: Deposits (Attach detailed listing)			<u>7,502.31</u>	<u>24.11</u>	<u>7,526.42</u>
Less: Disbursements (Attach detailed listing)	<u>(35,184.46)</u>				<u>(35,184.46)</u>
Other:					
Transfers In (Out)	<u>39,928.65</u>			<u>(39,928.65)</u>	
Ending book balance	<u>\$8,661.54</u>		<u>4,087,163.51</u>	<u>\$103,783.05</u>	<u>4,199,608.10</u>

4. Postpetition Payments List any postpetition payments to professionals and payments on prepetition debts in the schedule below (attach separate sheet if necessary).

<u>Payments To/On</u>	<u>Amount</u>	<u>Date</u>	<u>Check #</u>	<u>Order Date</u>
Professionals (attorneys, accountants, etc.):				
<u>None</u>				
Prepetition debts:				
<u>None</u>				

REV 10/2004

BANK NAME: Regions ACCOUNT #: 0110448888

[illegible]

*Must agree to "Deposits" line of Item 3 on Attachment 1 (Page 2).

CHAPTER 11
MONTHLY OPERATING REPORT
DETAILED LISTING OF DISBURSEMENTS

CASE NAME: Care Foundation of America, Inc.CASE NUMBER: 08-12367MONTH OF: August 2010BANK NAME: Regions ACCOUNT #: 0110448888

Detail of Disbursements:

<u>Date</u>	<u>Check #</u>	<u>Paid To/In Payment Of</u>	<u>Amount</u>
07/24/2010	20161	U. S. Trustees	-13,650.00
08/01/2010			-36.00
08/10/2010		Care Foundation, LLC	-5,484.18
08/10/2010		Care Foundation, LLC	-15,922.37
08/10/2010		Paychex	-91.91

Total Disbursements \$35,184.46 *

*Must agree to "Disbursements" line of
Item 3 on Attachment 1 (Page 2).

REV 10/200

BANK NAME: Regions ACCOUNT #: 0129142008

Detail of Receipts:

[illegible]

Total Receipts \$7,502.31 *

*Must agree to "Deposits" line of Item 3 on Attachment 1 (Page 2).

BANK NAME: Regions ACCOUNT #: 0129142008

Detail of Disbursements:

[illegible]

Total Disbursements _____ *

*Must agree to "Disbursements" line of Item 3 on Attachment 1 (Page 2).

CHAPTER 11
MONTHLY OPERATING REPORT
DETAILED LISTING OF RECEIPTS

CASE NAME: Care Foundation of America, Inc.CASE NUMBER: 08-12367MONTH OF: August 2010BANK NAME: Nashville Bank & Trust ACCOUNT #: 0110448764

Detail of Receipts:

<u>Date</u>	<u>Received From</u>	<u>Explanation</u>	<u>Amount</u>
<u>8/24/10</u>	<u>Regions Bank</u>	<u>Interest</u>	<u>24.11</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
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<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>

Total Receipts 24.11 *Must agree to "Deposits" line of
* Item 3 on Attachment 1 (Page 2).

BANK NAME: Nashville Bank & Trust ACCOUNT #: 0110448764

Detail of Disbursements:

[illegible]

Total Disbursements

*Must agree to "Disbursements" line of Item 3 on Attachment 1 (Page 2).

REV 10/2004

COMPARATIVE BALANCE SHEETS

CASE NAME: Care Foundation Lessor/LLC

FORM OPR-1
REV 10/2004

CASE NUMBER: 08-12369

MONTH ENDED: August 31, 2010

	MONTH Feb 2010	MONTH Mar 2010	MONTH Apr 2010	MONTH May 2010	MONTH June 2010	MONTH July 2010	MONTH Aug 2010
ASSETS							
CURRENT ASSETS							
Cash	<u>8,187,854.37</u>	<u>4,188,671.25</u>	<u>4,239,516.99</u>	<u>4,276,891.31</u>	<u>4,241,228.33</u>	<u>4,227,266.14</u>	<u>4,199,608.10</u>
Other negotiable instruments (i.e. CD's, Treasury bills, etc.)							
Accounts receivable, net (See OPR-3)							
Less allowance for doubtful accounts							
Inventory, at lower of cost or market							
Prepaid expenses and deposits	<u>7,345.50</u>	<u>7,345.50</u>	<u>7,345.50</u>	<u>7,345.50</u>	<u>7,345.50</u>	<u>7,345.50</u>	<u>7,345.50</u>
Investments							
Other:							
TOTAL CURRENT ASSETS							
PROPERTY, PLANT & EQUIPMENT, AT COST (Note 1)							
Less accumulated depreciation							
NET PROPERTY, PLANT & EQUIPMENT							
OTHER ASSETS							
TOTAL ASSETS	<u>8,195,199.87</u>	<u>4,196,016.75</u>	<u>4,246,862.49</u>	<u>4,284,236.81</u>	<u>4,248,573.83</u>	<u>4,234,611.64</u>	<u>4,206,953.60</u>

* Itemize on separate page if value of "Other Assets" exceeds 10% of "Total Assets".

COMPARATIVE BALANCE SHEETS

CASE NAME: Care Foundation Lessor/LLC

FORM OPR-2
REV 10/2004

CASE NUMBER: 08-12369

MONTH ENDED: August 31, 2010

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	Feb 2010	Mar 2010	Apr 2010	May 2010	June 2010	July 2010	Aug 2010
LIABILITIES							
POST PETITION LIABILITIES (See OPR-4)	20,664.59	14,577.91	13,977.41	18,944.83	24,330.25	24,567.75	23,891.75
PRE PETITION LIABILITIES							
Priority debt							
Secured debt (Note 1)							
Unsecured debt	26,762.21	26,762.21	26,762.21	60,348.66	60,348.66	60,348.66	60,348.66
TOTAL PRE PETITION LIABILITIES							
TOTAL LIABILITIES							
SHAREHOLDERS' EQUITY (DEFICIT)							
PREFERRED STOCK							
COMMON STOCK							
PAID-IN CAPITAL							
RETAINED EARNINGS							
Through filing date	8,147,773.07	4,154,676.63	4,206,122.87	4,204,943.32	4,163,894.92	4,149,695.23	4,122,713.19
Post filing date							
TOTAL SHAREHOLDERS' EQUITY							
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,195,199.87	4,196,016.75	4,246,862.49	4,284,236.81	4,248,573.83	4,234,611.64	4,206,953.60

SUMMARY OF ACCOUNTS RECEIVABLE

CASE NAME: Care Foundation of America, Inc.
CASE NUMBER: 08-12367

FORM OPR-3
REV 10/2004

MONTH ENDED: August 31, 2010

		0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS
DATE OF FILING: _____	TOTAL				
Allowance for doubtful accounts	{ _____ }	_____	_____	_____	_____
MONTH: _____					
Allowance for doubtful accounts	{ _____ }	_____	_____	_____	_____
MONTH: _____					
Allowance for doubtful accounts	{ _____ }	_____	_____	_____	_____
MONTH: _____					
Allowance for doubtful accounts	{ _____ }	_____	_____	_____	_____
MONTH: _____					
Allowance for doubtful accounts	{ _____ }	_____	_____	_____	_____
MONTH: _____					
Allowance for doubtful accounts	{ _____ }	_____	_____	_____	_____
MONTH: _____					
Allowance for doubtful accounts	{ _____ }	_____	_____	_____	_____
MONTH: _____					
Allowance for doubtful accounts	{ _____ }	_____	_____	_____	_____

NOTE: Total A/R and total allowance for doubtful accounts shown here must agree with the same items as shown on Form OPR-1.

SCHEDULE OF POST PETITION LIABILITIES

CASE NAME: Care Foundation of America, Inc.

FORM OPR-4
REV 10/2004

CASE NUMBER: 08-12367

MONTH ENDED: August 31, 2010

	DATE INCURRED	DATE DUE	TOTAL DUE	0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS
TAXES PAYABLE							
Federal Income Tax							
FICA							
Unemployment Tax							
Sales Tax							
Personal Property Tax							
TOTAL TAXES PAYABLE							
POSTPETITION SECURED DEBT							
POSTPETITION UNSECURED DEBT							
ACCRUED INTEREST PAYABLE							
TRADE ACCOUNTS PAYABLE & OTHER: (list separately)							
Natalie Henley	8/31/10	8/31/10	5,681.00	5,681.00			
Joe Keane	8/31/10	8/31/10	6,541.67	6,541.67			
Tom Davenport	8/31/10	8/31/10	6,541.67	6,541.67			
White & Reasor (Note 1)	Jan-Mar 10	8/31/10	1,127.41	445.01	682.41		
Carr Riggs (Note 1)	8/31/10	8/31/10	4,000.00	3,000.00	4,000.00		
TOTALS			<u>\$23,891.75</u>	<u>\$19,209.34</u>	<u>4,682.41</u>		

NOTE: Total postpetition liabilities shown here must agree with the same item as shown on Form OPR-2 of this report.

STATEMENT OF INCOME (LOSS)

CASE NAME: Care Foundation Lessor/LLC

FORM OPR-5
REV 10/2004

CASE NUMBER: 08-12369

MONTH ENDED: August 31, 2010

	MONTH February	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July	MONTH AUG
NET REVENUE (INCOME)	<u>7,277,069.86</u>	<u>9,240.43</u>	<u>8,354.10</u>	<u>4,445.18</u>	<u>11,023.67</u>	<u>7,557.58</u>	<u>7,526.42</u>
COST OF GOODS SOLD							
Materials							
Labor - Direct							
Manufacturing Overhead							
TOTAL COST OF GOODS SOLD							
GROSS PROFIT							
OPERATING EXPENSES							
General and Administrative	<u>94,839.43</u>	<u>4,015,793.39</u>	<u>16,212.79</u>	<u>17,070.86</u>	<u>47,186.65</u>	<u>21,519.77</u>	<u>42,180.32</u>
Selling and Marketing							
Other:							
TOTAL OPERATING EXPENSES							
INCOME BEFORE INTEREST, DEPRECIATION, TAXES OR EXTRAORDINARY EXPENSES							
INTEREST EXPENSE	<u>38,045.91</u>						
DEPRECIATION	<u>208,856.43</u>						
INCOME TAX EXPENSE (BENEFIT)							
EXTRAORDINARY INCOME (EXPENSE)*							
NET INCOME (LOSS)	<u>6,935,328.09</u>	<u>(4,006,552.96)</u>	<u>(7,858.69)</u>	<u>(12,625.68)</u>	<u>(36,162.98)</u>	<u>(13,962.19)</u>	<u>(34,653.90)</u>

*Requires Footnote

CASE NAME: Care Foundation of America, Inc.

REV 10/2004

CASE NUMBER: 08-12367

MONTH ENDED: August 31, 2010

Note 1: This Debtor is the sole member of the following affiliated Debtors. Debtor values its LLC interests in these Debtors as follows:

	FILING DATE	MONTH Jan 09	MONTH Feb-Jan 10	MONTH	MONTH	MONTH
Royal Oak	12/31/08	8,068,744	8,068,744	8,068,744		
Cypress Cove		15,043,202	15,043,202	15,043,202		
Heather Hill		3,011,859	3,011,859	3,011,859		
Bear Creek		14,369,782	14,369,782	14,369,782		
Brooksville		13,637,608	13,637,608	13,637,608		
Total		\$54,128,195	\$54,128,195	\$54,128,195		

Note 1:

Amounts listed are appropriately split among Care Foundation of America, Inc., and related LLC Debtors.